Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

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PAGE 01 CARACA 08274 01 OF 02 191805Z
ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 DHA-02 EPA-01 MCT-01 AID-05 COME-00 EB-08
FRB-03 TRSE-00 XMB-02 OPIC-03 LAB-04 SIL-01
OMB-01 IGA-02 EUR-12 ACDA-07 INT-05 JUSE-00 OES-07
FAA-00 DOTE-00 IO-13 NRC-05 ERDA-05 /148 W
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R 191600Z AUG 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 8865
INFO AMEMBASSY BOGOTA
USCINCSO QUARRY HTS CZ
USCINCLANT NORFOLK VA

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 8274

E.O. 11652: GDS
TAGS: PINS, EGEN, MILI, PINT, SHUM, SREF, XM, VE
SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 8025

SUMMARY. COPEI NATIONAL CONGRESS OPENS, NAMES HERRERA CAMPINS ITS STANDARD-BEARER WHEN BEAUJON WITHDRAWS. GUERRILLAS BREAK OUT OF PRISON IN MATURIN AND REVOLUTIONARY GROUP BANDERA ROJA CLAMS CREDIT. CHANGES IN TAX REFORM PACKAGE INCLUDE ELIMINATION OF THREE KEY BILLS. NATIONAL SECURITY AND DEFENSE COUNCILFORMED BY PRESIDENT. MARXIST PARTY MIR NOMINATES ITS PRESIDENTIAL CANDIDATE. EXILES FROM THE SOUTHERN CONE COUNTRIES FORM AN EXILE'S COORDINATING COMMITTEE. END SUMMARY.

1. COPEI NATIONAL CONGRESS OPENS, NAMES HERRERA COMPINS ITS STANDARD-BEARER WHEN BEAUJON WITHDRAWS. AUGUST 14, COPEI PRESIDENTIAL NOMINATING CONVENTION OPENED IN CARACAS TO NAME THE PARY STANDARD-BEARER. FORMER PRESIDENT CALDERA
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PAGE 02 CARACA 08274 01 OF 02 191805Z

GAVE THE INITIAL ADDRESS IN WHICH HE LAMBASTED THE PEREZ ADMINISTRATION AND DECLARED THAT COPEI IS THE ONLY PARTY EQUIPPED WITH A PROGRAM TO DEFEAT MARXISM. ALTHOUGH THE CANDIDATE IS OFFICIALLY TO BE PROCLAIMED THIS EVENING, ARISTIDES BEAUJON WITHDREW HIS CANDIDACY YESTERDAY, AUGUST 18, LEAVING THE NOMINATION BY ACCLAMATION TO HERRERA CAMPINS. COMMENT: THE HERRERA STEAMROLLER PROVED

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

TOO MUCH FOR BEAUJON WHO, IN THE NAME OF PARTY UNITY, DROPPED
OUT. SOME COPEYANOS TELL US THAT THE TIME OF
THE WITHDRAWL IS SOMEWHAT UNFORTUNATE IN TERMS OF PUBLICITY,
SINCE TODAY'S OFFICIAL NOMINATION IS NOW AN ANTI-CLIMAX.
FOR THE LONGER TERM, HOWEVER, THEY SEE THE COPEI PARTY GOING
INTO THE CAMPAIGN COMPLETELY UNIFIED BEHIND HERRERA.

2. GUERRILLAS BREAK OUT OF PRISON IN MATURIN. BANDERA ROJA
CLAIMS CREDIT. ON THE EVENING OF AUTUST 14, ELEVEN
INCARCERATED GUERRILLAS AND TWO COMMON CRIMINALS ESCAPED
FROM THE "LA PINA"FEDERAL PRISON IN MATURIN, MONAGAS STATE.
THE PRISONERS APPARENTLY OVERPOWEREDTHE GUARD RESPONSIBLE
FOR THE CENTRAL FUSE-BOX AREA, GAGGED HIM AND THEN TURNED
OFF THE ELECTRIC POWER FOR THE WHOLE PRISON. UNDER THE
COVER OF DARKNESS, THE FUGITIVES CUT A HOLE IN THE PRISON
FINCE AND ESCAPED IN TWO VEHICLES WAITING NEARBY. DESPITE A
MASSIVE MILITARY SEARCH OF THE SURROUNDING AREA,
NONE OF THE FUGITIVES HAS BEEN RECAPTURED. THE INCIDENT
PROVOKED THE IRE OF PRESIDENT PEREZ WHO ORDERED A FULL
INVESTIGATION OF THE PRISON ADMINISTRATION. HE WARNED
THAT ALL WHO WERE FOUND TO HAVE BEEN NEGLIGENT OF THEIR
DUTY AT THE TIME OF THE BREAKOUT WHOULD BE SUBJECT TO
SEVERE SANCTIONS AND DISMISSAL. ACCORDING TO THE PRESS,
POLICE INVESTIGATORS THEORIZE THAT THE EFFICIENT EXECUTION
OF THE BREAKOUT INDICATED THAT THE PRISONERS RECEIVED AID
FROM THE OUTSIDE AND/OR FROM WITHIN THE PRISON ITSELF.
CONFIDENTIAL

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PAGE 03 CARACA 08274 01 OF 02 191805Z

ON AUGUST 17, THE "EL NACIONAL" RECEIVED AN ANONYMOUS
CALL THAT DIRECTED THEM TO A MESSAGE IN A MATCHBOX THAT HAD
BEEN LEFT AT THE FOOT OF A STATUE IN ONE OF CARACAS'S PARKS.
THE MATCHBOX CONTAINED A MESSAGE WHICH GAVE CREDIT TO THE
BANDERA ROJA FOR MASTERMINDING THE ESCAPE. USING TYPICA
TERRORIST TERMINOLOGY, THE BANDERA ROJA MESSAGE SAID THE
BREAKOUT WAS THE FIRST ACT OF "OPERATION VICENTE CONTRERAS
DUQUE" (A BR MEMBER WHO WAS MURDERED SIX MONTHS AGO) CONDUCTED
BY THE FRENTE AMERICO SILVA OF THE BANDERA ROJA.
ACCORDING TO THE MESSAGE, PRISON PERSONNEL WERE NOT INVOLVED
IN THE BREAKOUT WHICH WAS UNDERTAKEN TO FREE A "VALUABLE
GROUP OF REVOLUTIONARIES."
COMMENT: MEDIA REPORTS SAY THAT ELEVEN OF THE THIRTEEN
FUGITIVES ARE GUERRILLAS. ACCORDING TO INFORMATION AVAILABLE
TO US, ONLY EIGHT HAVE PREVIOUS RECORDS AS MEMBERS OF BR
AND THE FALN. THE BREAKOUT HAS BEEN HIGHLY EMBARRASSING
TO THE GOV SINCE IT NOT ONLY DEMONSTRATES THAT GUERRILLAS
CONTINUE TO OPERATE WITH RELATIVE IMPUNITY IN EASTERN
VENEZUELA (SEE CARCAS A-104) BUT THAT THE GOV CANNOT HOLD
THOSE GUERRILLAS IT HAS MANAGED TO CAPUTURE.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

3. KEY BILLS ELIMINATED FROM TAX REFORM PACKAGE. THREE KEY ELEMENTS OF THE GOVERNMENT'S TAX REFORM PROPOSAL WILL NOT BE APPROVED BY THE CONGRESS THIS YEAR, THUS PROBABLY DEFERRING FURTHER CONSIDERATION UNTIL AFTER THE 1978 ELECTIONS. THEY INCLUDE PROPOSALS FOR THE CREATION OF A SPECIAL FUND FOR RESEARCH, TAX ON IDLE LAND, AND A SPECIAL TAX (ASSESSMENT) FOR REGIONAL INFRASTRUCTURE IMPROVEMENTS. THESE CHANGES, TOGETHER WITH CHANGES IN THE INCOME TAX BILL ANNOUNCED EARLIER, REMOVE MOST OF THE REVENUE PROVISIONS FROM THE TAX PACKAGE. THESE DEVELOPMENTS HAD BEEN ANTICIPATED; WITH THE REMOVAL OF HECTOR HURTADO AS MINISTER OF FINANCE, ADVOCATES OF TAX REFORM LOST THEIR MAJOR CHAMPTION IN THE GOV. FOR A COMPREHENSIVE REVIEW OF THE TAX REFORM PROPOSALS, SEE CARACAS A-162 DATED DECEMBER 14, 1976.
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4. PRESIDENT FORMS NATIONAL SECURITY AND DEFENSE COUNCIL. ONE YEAR AFTER PROMULGATING A RENOVATED NATIONAL SECURITY AND DEFENSE COUNCIL (SEE 76 CARACAS 10717), PRESIDENT PEREZ ANNOUNCED ITS OFFICIAL FORMATION. THE MEMBERS OF THE COUNCIL ARE THE CHIEF OF STATE, THE MINISTERS OF INTERIOR, FOREIGN AFFAIRS, FINANCE, DEFENSE, JUSTICE, ENERGY AND MINES, AND ENVIRONMENT AND NATURAL RESOURCES, THE CHIEF OF THE NATIONAL PLANNING OFFICE, THE INSPECTOR GENERAL OF THE ARMED FORCES, AND CHIEF OF STAFF OF THE ARMED FORCES. ACCORDING TO DAO SOURCES (SEE DAO/CARACAS IR 6 902 0215 77), THE PERMANENT SECRETARIAT OF THE COUNCIL WILL BE COMPOSED OF ABOUT TEN MEMBERS WHO WILL CONCENTRATE ON DEVELOPING NATIONAL SECURITY STRATEGY AND POLICY. ALL NATIONAL INTELLIGENCE ORGANIZATIONS WILL PROVIDE INTELLIGENCE DIRECTLY TO THE SECRETARIAT. PROFESSOR YEHEZKEL DROR, ISRAELI STRATEGIST AND LECTURER HAS BEEN RECEUITED AS A PERMANENT CONSULTANT TO THE SECRETARIAT. ACTUAL WORKING PROCEDURES FOR THE SECRETARIAT AND THE COUNCIL HAVE NOT YET BEEN DEFINED NOR HAS THE SECRETARY OF THE COUNCIL BEEN SELECTED.
COMMENT: BOTH THE MINISTERS OF INTERIOR AND JUSTICE ARE VERY INTERESTED IN IMPLEMENTING EFFECTIVE INTELLIGENCE COORDINATION. DEPENDING ON ITS STAFFING, IT REMAINS TO BE SEEN WITH THE VARIOUS SECURITY ORGANIZATIONS OF THE STATE TRADITIONALLY SUSPICIOUS OF EACH OTHER, WILL EFFECTIVELY SHARE INFORMATION.

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FAA-00 DOTE-00 IO-13 NRC-05 ERDA-05 /148 W
----------104549 192012Z /72
R 191600Z AUG 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 8866
INFO AMEMBASSY BOGOTA
USCINCO QUARRY HTS CZ
USCINCLANT NORFOLK VA

C O N F I D E N T I A L SECTION 2 OF 2 CARACAS 8274

5. MIR NOMINATES DEPUTY AMERICO MARTIN AS PRESIDENTIAL CANDIDATE. THE FAR LEFT, "MOVIMIENTO DE IZQUIERDA REVOLUCIONARIA" (MIR) HELD ITS NATIONAL CONVENTION WEEKEND AUGUST 13-14 AND SELECTED DEPUTY AMERICO MARTIN AS THE PARTY STANDARD-BEARER IN THEUPCOMING PRESIDENTIAL ELECTIONS. MARTYIN, A FORMER CASTRO-TRAINED GUERRILLA, DECLARED IN HIS ACCEPTANCE SPEECH THAT, "VENEZUELA NEEDS A PROFOUND TRANSFORMATION AND THERE CAN BE NO OTHER WAY TO DO THAT EXCEPT THROUGH SOCIALISM." HIS OTHER MAJOR THEMES WERE ADMINISTRATIVE CORRUPTION IN THE PRESENT GOVERNMENT AND THE NEED FOR AN EQUITABLE REDISTRIBUTION OF INCOME. COMMENT: MIR IS STILL BURDENED BY ITS GUERRILLA IMAGE AND REVOLUTIONARY RHETORIC AND IS NOT EXPECTED TO GAIN MANY VOTES.

6. EXILES FROM THE SOUTHERN CONE COUNTRIES FORM AN EXILES' COORDINATING COMMITTEE. EXILE POLITICIANS FROM ARGENTINA, CHILE, BOLIVIA, URUGUAY, AND PARAGUAY ACCOUNCED AUGUST 17 THE CREATION OF A SOUTHERN CONE EXILES' COORDINATING COMMITTEE IN CARACA. THEIR PLATFORM STATEMENT NOTED THAT EXILES

WOULD BATTLE AGAINST DICTATORIAL REGIMES AND FOR THE RE-ESTABLISHMENT OF DEMOCRACY IN THEIR COUNTRIES. COMMENT: THE EXILES HELD A PRESS CONFERENCE IN THE VENEZUELAN LEGISLATURE, THEREBY IMPLYING CLEAR GOV SUPPORT FOR THEIR ENDEAVORS. THE EMBASSY WILL BE REPORTING IN GREATER DETAIL ON THIS MEETING IN SEPTEL.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

7. OTHER REPORTING THIS WEEK INCLUDED MEETING WITH ANDEAN DEVELOPMENT CORPORATION (CAF) OFFICIALS (CARACAS 8094), U.S. VENEZUELAN CONSULTATIONS ON NORTH-SOUTH ISSUES IN CONNECTION WITH AMBASSADOR YOUNG'S VISIT (CARACAS 8101), BILATERAL NUCLEAR AGREEMENT - VENEZUELAN INPUT (CARACAS 8134), GOV MOVES TO TRY "CUBANA AIRLINER" DEFENDANTS IN MILITARY COURT (CARACAS 8170), VENEZUELAN FOREIGN MINISTER RESTATES TRADITIONAL NON-INTERVENTION POLICY REGARDING NETHERLANDS ANTILLES (CARACAS 8171), BOLIVIAN ACCESS TO THE SEA AND REGIONAL DEVELOPMENT (CARACAS 8165), PANAMA CANAL AGREEMENT (CARACAS 8095), AMBASSADOR YOUNG'S VISIT AND VENEZUELAN PROPOSAL FOR LONG-TERM DEVELOPMENT CORPORATION BETWEEN OPEC AND INDUSTRIALIZED COUNTRIES (CARACAS 8099), BANCO NACIONAL DE DESCUENTO (CARACAS 8107), VENEZUELAN REQUEST FOR ENRICHED URANIUM AS GIVT (CARACAS 8159), PORT CONGRESSION: INP PRESIDENT RESIGNS AS PORT CRISIS CONTINUES (CARACAS 8130, REQUEST FOR ASSISTANCE IN NUCLEAR PLANNING (CARACAS 8119), FOREIGN INVESTMENT REGULATIONS MODIFIED (CARACAS 8190), AND MAJOR PROJECTS - CORPOZULIA STEEL MILL PROJECT (CARACAS 8164).
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Message Attributes

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Status: NATIVE
Subject: THIS WEEK IN VENEZUELA
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22 May 2009
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